

REMARKS

BY

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Thank you very much, Lee.\* It's really a treat for me to be here -- especially to see so many old friends. Lee didn't mention that we both shared an entrance way on a third floor walk-up for a couple of years when life was a little more cruel to us. I'm really very pleased to be here. At this time last year when you visited, some of you may remember that I had intended to be here -- at least to have lunch with you -- but I was on the confirmation grill in another hearing room. Both Jack and Kevin came over to testify on my behalf, and I think they extended my greetings to you. And I thought of Richard Halliburton's last words in the Pacific when he sent out the signal: "Having a wonderful time -- wish you were here instead of me."

After having been out to a State reception last night, I got up very early this morning and intended to play tennis at seven o'clock at St. Alban's. I got there and found that there were already four on the tennis court, including Jimmy Symington and John Zentay. And so since I was the last one there, the fifth one, I came on down to the White House where I have a little office to do some additional work -- wondering what that said about my intelligence. I'm still wondering about that.

I don't know whether you read the newspapers around here, but I thought about calling Larry Speakes to find out what I said this morning.

I'm hoping that we're going to see John Shepherd down here before too long, and he'll have the pleasure of this ancient and honorable rite of going through the gauntlet.

\* Lee Liberman, Chairman of the Board of Laclede Gas Company.

I see the Cardinals are having a game in St. Louis this afternoon. I hope they do better than they've done in four of the last five.

Not too long ago, somebody gave me a button; I should have brought it along. It says: "My job is so secret that even I don't know what I'm doing."

First, I'd like to say that in Bill Bradley, you heard one of the great Senators this afternoon, as I'm sure you know. I agree with most of what he had to say -- in a substantive way -- about Moscow and Gorbachev and perestroika. I don't quite share his confidence about Soviet military adventurism. But in respect to the other things he said, I thoroughly agree. You saw a good example of someone who does his homework and who makes up his own mind.

I would like to talk to you this afternoon about the role of the CIA in supporting and implementing foreign policy -- which is not the same as making foreign policy -- and I'd like to talk about how our relationship with Congress has changed since the days before legislated congressional oversight. I'd like to discuss some of the challenges that are occurring in intelligence and challenges that we will be facing as we provide intelligence to the policy community in the future.

Our primary role is to support our nation's policymakers. We do that by providing information that is useful, timely, and objective.

Today we depend very heavily on useful information -- not just research papers -- but intelligence that is going to mean something to people who have to make decisions. Intelligence to formulate and implement our foreign policy, intelligence to verify the arms agreements that we have already signed, and intelligence to understand both the military capabilities and the

intentions of our adversaries as we approach the prospect of other more complicated, more complex arms control agreements. Intelligence is very important today as we approach not only the INF agreement which I think will sail through the Senate, but the prospect of an immensely more complicated START agreement. Not too long ago I testified before Congress on the Intelligence Community's ability to monitor the INF Treaty. Most of the questions that I was asked had nothing to do with INF, although that is very important. I was mostly asked about where are we going to go with START. If I can make any prediction at all, I think the future of the START agreement depends not on what we can agree on with the Soviets, but upon whether or not the Senate can convince itself -- to build sufficient confidence -- that we can indeed monitor the performance of the Soviets under any agreement of that complexity that we enter into. So we are looking at it very carefully. We are not arguing about which weapons and so on. We are asking how we are going to know if they're cheating, and how we can control it. So intelligence is not only useful; it is indispensable.

We also think in terms of timely intelligence. It doesn't do much good to gather good intelligence assessments after the horse has left the barn. Last summer, I visited NORAD in Colorado Springs. There you see our early warning systems for nuclear attack. We are not talking about a warning of weeks or months or days; we're talking about 24 minutes. That's the kind of world we are living in.

The challenge to the Intelligence Community is to intercept, to collect, to observe, and to understand what it is in sufficient time for policymakers to act on the information and to act on it effectively.

And intelligence has to be objective. That's one of the reasons I asked not to serve on the Cabinet -- so that it was clear that I was not in there as a personal advocate for a particular policy; to void the charges that have happened in the past about intelligence directors "cooking the books" to shape a particular frame of view and influence a decision. We can't do it that way. And we don't do it that way.

I have taken a number of steps inside to ensure that the Intelligence Community preserves its objectivity, and also that it protects its integrity from assault by other people in government -- other people who want to craft a certain approach to intelligence which will ensure a certain kind of decision. I think that's equally important. When we produce a National Intelligence Estimate, the policymakers are free to follow it, to reach conclusions from it, to take any part of it they want to, to file it away, or to tear it up. But they may not change it.

When we talk about the Intelligence Community, we're also talking about components of other departments of government. And they are subject to departmental pressure at various times before their work product reaches us. We go through a series of procedures to protect against a priori pressure. And we make sure that every dissenting point of view is reflected in the estimate. We do not bury dissenting views in footnotes in the back. We try to put them in the text or directly below that portion of the text in which there is disagreement, and we let the policymakers make the final choice. I'm free, as Director of Central Intelligence, to put anything on top of the product, pressing my views with respect to sufficiency and accuracy on judgments that are reached, but I will not cheat. And I will not allow anyone else to cheat.

In addition to providing intelligence that is useful, timely, and objective, we are playing an important role in the implementation of foreign policy. I want to underscore again, not CIA foreign policy, our national foreign policy. And this is done through covert action programs. These are many and varied. They can include political work through communications -- getting the message out -- training, supplying important materials for those who need support, and giving advice. Although covert action is not defined by law, the term has come to be understood to refer to activities conducted in support of national policy in such a way that the role of the United States Government is not apparent.

Covert capability, essential in our foreign policy, provides needed support for liberation movements, often provides support for countries that we want to help, and allows us to work in collaboration with those governments who do not wish, for very legitimate reasons of their own, to have the U.S. role and involvement publicly known.

From President Franklin Delano Roosevelt forward, every President in my lifetime has used and endorsed covert action to support the foreign policy of this country. Actually you'd be surprised at how little in terms of resources it involves -- less than three percent of our annual Intelligence Community resources are in covert action. But I guess that covert action gathers about 97 percent of the publicity and the speculation and the editorial comments.

Congress is very interested in what the CIA does. It's nice to be with you here in my home away from home. I recently addressed a group of retired intelligence officers, and they were talking about the days when no classified papers went from the CIA to either branch of Congress and the only classified

briefings to congressional committees were given by the Director himself, or with the Director present. Not so today. At one time, the Senate Appropriations Committee had one cleared staffer, the House Appropriations Committee one or two. Today, four congressional committees closely examine our activities, and the number of individuals who see classified material far exceeds the one or two of the past.

Fifteen years ago the CIA gave 175 briefings to the Congress; last year we gave over 1,000 briefings to Congress on a variety of topics. These topics included arms control, Soviet weapons, the Persian Gulf situation, the conflicts in Central America, and even the spread of AIDS in Africa. We provide information on topics of current interest to Congress, but we also like to anticipate the information Congress and the policy community will need to know and make sure that they hear it. We provide such information in the form of National Intelligence Estimates, which I referred to earlier. They are very carefully assembled, as I described, with dissenting views accurately reflected.

Virtually all CIA assessments go to the two congressional intelligence committees. Most also go to the Appropriations, Foreign Relations, and Armed Services Committees. Eight congressional committees get the CIA's daily national intelligence report. In the last year the CIA sent more than 5,000 intelligence reports to the Congress. We've been busy.

In our dealings with the Congress, it is very, very important that we follow one rule -- to be absolutely candid. And also to impress upon the Congress the need when we give them information to protect our sources and our methods. So I've established written guidelines governing our dealings with

the Congress. And I hope that the guidelines are going to be helpful in the future, especially with our younger employees who are called up to give testimony and put under pressure and uncertain of what their responsibilities should be. I've tried to take the heat off of them by saying that when they are asked questions that they are not authorized to answer, they should say that they are not authorized to answer, and that the question will be referred to Headquarters. Headquarters will in turn deal with the congressional staff and with the necessary commitments. Occasionally, these questions are brought to my attention, and I work them out with the chairman and the vice chairman of the committees.

I simply do not want to leave the Congress feeling by our answers that in some way the CIA has been disingenuous in dealing with them. I'd rather tell them we have an answer but we are not going to give it to them. And I'd rather fight it out on that level and sometimes lose than to give half an answer or say the question wasn't asked in the right way, because trust is absolutely vital in this type of relationship.

There must be a dependable system of oversight and accountability which builds, rather than erodes, trust and confidence between those of us who have responsibility for protecting intelligence information, and those who are the elected representatives of the American people.

So I come up here as part of that program on a regular basis and sit down with the chairman and vice chairman of those oversight committees who are entitled to know what we are doing. And I meet on a less frequent, but regular, basis with the committee members themselves. The House committee is coming out to the Agency next week for breakfast, and we will talk about a whole range of subjects there.



Well, I've been talking a good deal about disclosures in the oversight process. Maybe a few words about secrecy are in order.

It seems quite clear to me that it would be impossible to carry out clandestine activities -- either to collect information or to carry out covert action -- without secrecy. And yet that is sometimes questioned here.

Both Congress and the judiciary have recognized the need for secrecy in matters of national security. Really the main purpose of secrecy is to protect those two things I mentioned -- sources and methods. Two words that weren't terribly important to me on the bench, but words that I have come to deeply understand and respect. Because if we cannot protect our sources around the world, we're just not going to get the information that we need. If we cannot protect the sensitive methods by which we collect this information, either on the ground or in the sky, we're going to cease to have the means of collecting information.

It is just amazing to me how many people feel that they can talk in this area in hyperbole or in euphemisms and think that our adversaries are incapable of understanding or intercepting their communications. And some people believe they can talk about classified information because something has been reported about it in the newspaper. Leaks of secret, sensitive subjects provide an opportunity for our adversaries. Often, millions and in some cases, billions of dollars invested in intelligence collection capabilities go out the window because of such leaks, which allow the adversary to become aware of our capabilities.

Secrecy is an essential part of effective intelligence. But for some reason we just have a lot of trouble with this in Washington, and people are

very suspicious of what else we may be trying to hide in the process. General Vernon Walters, a good friend of mine and the former Deputy Director of Central Intelligence and now Ambassador to the United Nations, once said that "Americans have always had an ambivalent attitude toward intelligence. When they feel threatened, they want a lot of it, and when they don't, they tend to regard the whole thing as somewhat immoral." Not a bad observation.

I mentioned earlier the number of briefings and documents that we provide to Congress on a yearly basis. What I did not discuss were the laws defining the nature of the relationship between the Congress and intelligence -- the laws that tell us what we must provide and when to provide it. I don't think I will take time to discuss this with you in detail.

But the National Security Act, the Intelligence Oversight Act, and the Hughes-Ryan Amendment are the three documents that require us to keep the Congress informed on a timely basis of all intelligence activities. These activities include covert actions, which require a Presidential finding. And when such a finding is required, we are expected to give Congress timely notice. That was one of the issues in the Iran-Contra matter, in which a great many months went by before notice was actually given.

We've been through that debate. The President has issued a National Security Decision Directive, which requires notification within 48 hours in all but the rarest of circumstances involving life-threatening situations. Even there, the Directive requires that the decision to withhold be reviewed every 10 days. That to me is a very practical, workable solution, and I don't think that we need the congressional legislation that is currently prepared.

It has constitutional implications. However, it looks to me as if that legislation is going to be passed, although it has been cleaned up quite a bit since it was first proposed in both houses of Congress. The President may veto it and he may win on the veto, but I suspect that it is going to be passed.

I wanted to say also that when we propose a covert action, it is not simply our idea to have a covert action. It is usually the result of the State Department concluding that it cannot achieve its desired foreign policy goals by diplomacy alone and that covert action is necessary because that is the only basis on which a country or a group within a country will deal with us.

Before we will implement a covert action, we go through an elaborate internal review procedure called the Covert Action Review Group, or CARG. And I watch this very carefully and keep people in place to see that it functions properly. We not only look at the covert action to determine that it can be done in a lawful way, but we also look at it to determine whether or not it is consistent with our overt foreign policy -- the error in the Iran-Contra affair. Whether it is consistent with American values and whether, if it becomes public, it will make sense to the American people. If we are satisfied that we can do it, the process goes to the National Security Council. The National Security Planning Group hears all the arguments pro and con. And the President is then given an option to adopt a finding or not, and he makes the final choice. But it is not something that we cook up in the dark of night and go out and do without proper authorization or proper review of the idea. It is carefully thought through. I can't say that the process eliminates all bad ideas, but the process certainly is designed to expose bad

ideas and bad programs. And I for one am satisfied in the way it is working and the opportunity that I have to caution the President about the adverse implications of any particular type of covert action.

There has been a dramatic increase in the number and diversity of subjects that the Intelligence Community is required to address. While much of our effort is still focused on the Soviet Union, I am seeing today that we spend more and more time and resources collecting information on Third World nations. We are interested in both the political and the economic stability of countries from Brazil to Bangladesh, from Mexico to Malaysia, and from Turkey to Tanzania. We are seeing more and more regional conflicts taking place simultaneously around the world. We are getting more and more tasking not only from within the Intelligence Community, but from the military and others who have to be in those places or be prepared to act in those places.

We believe the Soviet Union's appetite for American technology is growing, particularly in the area of information technology. The Soviet strategy appears to be modernizing the electronics-based sector of the economy before moving to invest more heavily, in the 1990s, in military production facilities. We have every reason to believe that Soviet industrial espionage will intensify in the next decade. And the Soviets will continue to devote whatever resources and manpower are necessary to fulfill their most critical military collection requirements. I agree with what Bill Bradley said about Gorbachev's desire, for economic reasons, to shift away from the heavy military expenditures. And there will be some of that and we will see some of that. And some of the adventurism will shrink in order to achieve that. What you have in the Soviet Union is a first-rate military machinery and a

third-rate economy in all other respects. That is what they are trying to address. They are showing no signs of a lessened appetite for American technology, and they are working to acquire it in the United States and elsewhere.

Issues like technology transfer have changed our own collection requirements. That's why it is absolutely imperative that we continue to attract top people -- the best and the brightest to help us. I think we are very fortunate. Last year, over 100,000 young men and women expressed interest in the Central Intelligence Agency, and we are getting serious, qualified applications at the rate of 1,000 per month. You have no doubt read about the protests on some college campuses where CIA recruits -- there was one at Washington University last week, although a very civilized one. Interestingly enough, these protests and the publicity they generate often work in our favor. Our recruitment centers are inundated with resumes after every campus demonstration. But we are not responsible for the campus demonstrations.

I hope that we are going to continue to attract those best suited to carry out our mission. We are looking for risk takers but not risk seekers, people who are dedicated and responsive to our law and our discipline, people who understand and play by the rules. People to whom fame and fortune are not particularly a necessary part of their lives, but who can find in our work an avenue to pursue their highest aspirations for a safer and better world. And I think we are going to make it. We have about the right kind of mix of people coming in -- people with confidence, people with initiative, people with courage, people with dedication, and people with destiny. You have given

all of us a major job that is indispensable to the national security of our country. We want to give you what you expect, and we are working very hard to do that.

Thank you.